

SPECIAL MESSAGE

President Taft Discusses Some Needed Legislation.

SUGGESTS A COMMERCE COURT.

Referring to Annual Report of Interstate Commerce Commission, Attention is Called to Fact That Sixteen Suits Had Been Brought to Set Aside Orders of the Commission Between July 1, 1908, and Close of That Year.

Washington, D. C., Special.—President Taft's special message to Congress recommending amendments to the interstate commerce and anti-trust laws is here, in part, given:

To the Senate and House of Representatives: I withheld from my annual message a discussion of the needed legislation under the authority which Congress has to regulate commerce between the States and with foreign countries and said that I would bring this subject-matter to your attention later in the session. Accordingly, I beg to submit to you certain recommendations as to the amendments to the interstate commerce law and certain considerations arising out of the operations of the anti-trust law suggesting the wisdom of Federal incorporation of industrial companies.

INTERSTATE COMMERCE LAW. In the annual report of the Interstate Commerce Commission for the year 1908 attention is called to the fact that between July 1, 1908, and the close of that year sixteen suits had been begun to set aside orders of the commission (besides one commenced before that date), and that orders of much consequence had been permitted to go without protest; the questions presented by these various suits were fundamental in character and raised the question of Congress to delegate to any tribunal authority to establish an interstate rate was denied; but that perhaps the most serious practical question raised concerned the extent of the right of the courts to review the orders of the commission; and it was pointed out that if the contention of the carriers in this latter respect alone were sustained, but little progress had been made in the Hepburn act toward the effective regulation of interstate transportation charges. In twelve of the cases referred to, it was stated, preliminary injunctions were prayed for, being granted in six refused in six.

"It has from the first been well understood," says the commission, "that the success of the present act regulating measure depended upon the facility with which injunctions could be obtained by a railroad company, by action in its bill of complaint by ex parte affidavit, and the result of patient investigation, no satisfactory result can be expected. The railroad loses nothing by proceeding as it does, since it can only be required to establish the rate and to pay to shippers the difference between the higher collected and the rate which is held to be reasonable. In fact it usually profits, because it can seldom be required to pay more than a fraction of the charges collected."

In its report for the year 1909 the commission shows that of the seven cases referred to in its 1908 report, only one had been decided in the Supreme Court of the United States, although five other cases had been argued and submitted to that tribunal in October, 1909.

Of course, every carrier affected by an order of the commission has a constitutional right to appeal to a Federal court to protect it from the enforcement of an order which it may show to be prima facie confiscatory or unjustly discriminatory in its effect; and as this application may be made to a court in any district of the United States, not only does delay result in the enforcement of the order, but great uncertainty is caused by contrary decision.

The questions presented by these applications are too often technical in their character and require a knowledge of the business and the mastery of a great volume of conflicting evidence which is tedious to examine and troublesome to comprehend. I would not be prone to advise any corporation of the right to the review by a court of any order or decree which, if unobeyed, would rob it of a reasonable return upon its investment or to subject it to burdens which it unjustly discriminate against in favor of other carriers situated. What is, however, of some importance is that the nature of the questions shall be of such a nature that the decision be secured so as to be an effective, systematic, and scientific enforcement of the commerce law, rather than conflicting decisions and uncertainty of final result.

A COURT OF COMMERCE. For this purpose I recommend the establishment of a court of the United States composed of five judges designated for such purpose from among the circuit judges of the United States, to be known as the "United States court of commerce," which court shall be clothed with exclusive original jurisdiction over the following classes of cases:

(1) All cases for the enforcement, otherwise than by adjudication and collection of a forfeiture or penalty, or by infliction of criminal punishment, of any order of the Interstate Commerce Commission other than for the payment of money.

(2) All cases brought to enjoin, set aside, annul or suspend any order or requirement of the Interstate Commerce Commission.

(3) All such cases as under section 3 of the act of February 19, 1903, known as the "Elkins Act," are authorized to be maintained in a circuit court of the United States.

(4) All such mandamus proceedings as under the provisions of section 20 or section 23 of the interstate commerce law are authorized to be maintained in a circuit court of the United States.

At this point the President deals at some length on the testing and investigating of rates. The claim is very earnestly advanced by some large association of shippers that they should be empowered to direct the route over which their shipments should pass to destination, and in this connection it has been urged that the provisions of section 15 of the interstate commerce act, which now empowers the commission, after hearing on complaint, to establish through routes and maximum joint rates to be charged, etc., when no reasonable or satisfactory through route shall have been already established, be amended so as to empower the commission to take such action, even when one existing reasonable and satisfactory route already exists, if it is possible to establish additional routes. This seems to me to be a reasonable provision. I know of no reason why a shipper should not have the right to elect between two or more established through routes to which the initial carrier may be a party, and require his shipment to be transported to destination over such routes as he may designate for that purpose, subject, however, in the exercise of this right to such reasonable regulations as the Interstate Commerce Commission may prescribe.

TO PREVENT STOCK WATERING. Such act should also provide for the approval by the Interstate Commerce Commission of the amount of stock and bonds to be issued by any railroad company subject to this act upon any reorganization, pursuant to judicial sale or other legal proceedings, in order to prevent the issue of stock and bonds to an amount in excess of the fair value of the property which is the subject of such reorganization.

I believe these suggested modifications in and amendments to the interstate commerce act would make it a complete and effective measure for securing reasonableness of rates and fairness of practice in the operation of the interstate railroad lines, without undue preference to any individual or class over any others, and would prevent the recurrence of many of the practices which have given rise in the past to so much public inconvenience and loss.

By my direction the Attorney General has drafted a bill to carry out these recommendations.

Bills for both the foregoing purposes have been considered by the House of Representatives, and have been passed, and are now before the Interstate Commerce Committee of the Senate. I earnestly urge that they be enacted into law.

ANTI-TRUST LAW AND FEDERAL INCORPORATIONS. There has been a marked tendency in business in this country for forty years last past toward combination of capital and plant in manufacture, sale, and transportation. The moving causes have been several: First, it has rendered possible great economy; second, by a union of former competitors it has reduced the probability of excessive competition; and, third, if the combination has been extensive enough, and certain methods in the treatment of competitors and customers have been adopted, the combinators have secured a monopoly and complete control of prices or rates.

The increase in the capital of a business for the purpose of reducing the cost of production and effecting economy in the management has become as essential in modern progress as the change from the hand to tool to the machine. When, therefore, we come to construe the object of Congress in adopting the so-called "Sherman anti-trust act," in 1890, whereby in the first section every contract, combination in the form of a trust or otherwise, or conspiracy in restraint of interstate or foreign trade or commerce, is condemned as unlawful and made subject to indictment and restraint by injunction; and whereby in the second section every monopoly or attempt to monopolize, and every combination or conspiracy with other persons to monopolize any part of interstate trade or commerce, is denounced as illegal and made subject to similar punishment or restraint, we must infer that the evil aimed at was not the mere bigness of the enterprise, but it was the aggregation of capital and plants with the express or implied intent to restrain interstate or foreign commerce or to monopolize it in whole or in part.

Monopoly destroys competition utterly, and the restraint of the full and free operation of competition has a tendency to restrain commerce and trade. A combination of persons, formerly engaged in trade as partnerships or corporations or otherwise of course, eliminates the competition that existed between them; but the incidental ending of that competition is not to be regarded as necessarily a direct restraint of trade, unless of such an all-embracing character that the intention and effect to restrain trade are apparent from the circumstances, or are expressly declared to be the object of the combination. A mere incidental restraint of trade and competition is not within the inhibition of the act, but it is where the combination or conspiracy or contract is inevitably and directly a substantial restraint of competition, and so a restraint of trade, that the statute is violated.

SUGAR TRUST CASE. The anti-trust statute was passed in 1890 and prosecutions were soon begun under it. In the case of the United States vs. Knight, known as the "sugar trust case," because of the narrow scope of the pleadings, the combination sought to be enjoined was held not to be included within the prohibition of the act, because the averments did not go beyond the mere acquisition of manufacturing plants for the refining of sugar, and did not include that of a direct and intended restraint upon trade and commerce in the sale and delivery of sugar across State boundaries and in foreign trade. The result of the sugar trust case was not happy in that to have other companies and combinations seeking a similar method of making profit by establishing an absolute control and monopoly in a particular line of manufacture a sense of immunity against prosecutions in the Federal jurisdiction; and where that jurisdiction is barred in respect to a business which is necessarily commensurate with the boundaries of the country, no State prosecution is able to supply the needed machinery for adequate restraint or punishment.

Following the sugar trust decision, however, there have come along in the slow but certain course of judicial disposition cases involving a construction of the anti-trust statute and its application until now they seem to embrace every phase of that law which can be practically presented to the American public and to the government for action. They show that the anti-trust act has a wide scope and applies to many combinations in actual operation, rendering them unlawful an subject to indictment and restraint.

The Supreme Court in several of its decisions has declined to read into the statute the word "unreasonable" before "restraint of trade," on the ground that the statute applies to all restraints and does not intend to leave to the court the discretion to determine what is a reasonable restraint of trade.

WOULD ARBITRATE FIRST. It is the duty and the purpose of the Executive to direct an investigation by the Department of Justice, through the grand jury or otherwise, into the history, organization, and purpose of all the industrial companies with respect to which there is any reasonable ground for suspicion that they have been organized for a purpose, and are conducting business on a plan which is in violation of the anti-trust law.

Through all our consideration of this grave question, however, we must insist that the suppression of competition, the controlling of prices, and the monopoly or attempt of monopolize in interstate commerce and business, or not only unlawful, but contrary to the public good, and that they must be restrained and punished until ended.

URGES FEDERAL INCORPORATION. I therefore recommend the enactment by Congress of a general law providing for the formation of corporations to engage in trade and commerce among the States and with foreign nations, protecting them from undue interference by the States and with foreign nations, protecting them from undue interference by the States and regulating their activities, so as to prevent the recurrence, under national auspices, of those abuses which have arisen under State control.

If the prohibition of the anti-trust act against combinations in restraint of trade is to be effectively enforced, it is essential that the national government shall provide for the creation of national corporations to carry on a legitimate business throughout the United States. The conflicting laws of the different States of the Union with respect to foreign corporations make it difficult, if not impossible, for one corporation to comply with their requirements so as to carry on business in a number of different States.

TRYING TO DISSOLVE COMBINATIONS. Let us consider these objections in their order. The government is now trying to dissolve some of these combinations, and it is not the intention of the government to desist in the least degree in its efforts to end those combinations which are today monopolizing the commerce of this country; that where it appears that the acquisition and concentration of property go to the extent of creating a monopoly or of substantially and directly restraining interstate commerce, it is not the intention of the government to permit this monopoly to exist under Federal incorporation or to transfer to the protecting wing of the Federal government a State corporation now violating the Sherman act. But it is not, and should not be, the policy of the government to prevent reasonable concentration of capital which is necessary to the economic development of manufacture, trade, and commerce. This country has shown a power of economical production that has astonished the world, and has enabled us to compete with foreign manufacturers in many markets.

The worst offenders will not accept Federal incorporation, is easily answered. The decrees of injunction recently adopted in prosecutions under the anti-trust law are so thorough and sweeping that the corporations affected by them have but three courses before them:

First, they must resolve themselves into their component parts in the different States, with a consequent loss to themselves of capital and effective organization and to the country of concentrated energy and enterprise; or

Second, in defiance of law and under some secret trust they must attempt to continue their business in violation of the Federal statute, and thus incur the penalties of contempt and bring on an inevitable criminal prosecution of the individuals named in the decree and their associates; or

Third, they must reorganize and accept in good faith the Federal charter I suggest.

WILLIAM H. TAFT.

POSTAL REVENUES GROW

Washington, Special.—As a business institution the Postoffice Department, next to the United States Treasury, is the greatest in the government. According to figures submitted by Charles P. Gradfield, First Assistant Postmaster General, for the fiscal year ended June 30, 1909, made public in his annual report, the gross revenue of the postal service reached the enormous total of \$203,562,383, an increase of \$12,083,720, or 6.31 per cent, over the preceding year. There were 7,202 presidential postoffices on July 1, 1909. Of this number 398 were first class, an increase of 14; 1,797 were second class, an increase of 12; and 5,097 were third class, an increase of 230. The total increase in the number of presidential offices was 356. There were 1,444 postoffices established during the year and 2,004 were discontinued, leaving a total of 60,144 postoffices in operation on June 30, 1909. During the year 1,626 postmasters were appointed at presidential offices. At fourth-class offices 9,161 postmasters were appointed.

The report recommends an amendment to the law whereby fourth-class offices may be advanced when the receipts of the office qualify it; wages of the clerical and carrier force should be increased in first and second class offices. Nearly half the offices of presidential class are housed in leased quarters.

Petitions For Morse Pardon. Portland, Me., Special.—Petitions addressed to President Taft asking for the absolute pardon of Charles W. Morse are in circulation here. The petitions set forth that he did no intentional wrong, that he has repaid his debts; that his jury was largely influenced by popular clamor and that, even though guilty, Morse has paid the penalty by his imprisonment while awaiting the outcome of the case.

DENIES CHARGE OF MADRIZ. Zelaya Defends Self in Case of Groce and Cannon. Mexico City, Special.—As justification of his refusal to pardon Cannon and Groce and in support of a denial which he made last Saturday of irregularity, Jose Santos Zelaya exhibited for the first time telegrams which he claimed to have received from the American victims of Nicaragua's martial law.

Zelaya uttered his denial in reply to charges made by President Madriz of Nicaragua, that the executions of Groce and Cannon were illegal and that the United States government was justified in its resentment over this action.

Agree on Arbitration. Chicago, Special.—Members of the switchmen's union representing the western railroads have agreed with the general managers' association to submit their requests for advanced wages and change in hours to arbitration under the Erdman law. The switchmen asked for arbitration.

Five Burn to Death in House. Burnside, Ky., Special.—Mrs. Martha Corder, her daughter, Mrs. James Kidd, and three small children were burned to death in a fire which destroyed Kidd's house at Plavens, Wayne county.

Two Yegmen Are Killed. Talhassee, Fla., Special.—In a struggle with two safe blowers, Paul Sauls, 17 years old, son of J. M. Sauls, the night watchman at the postoffice building, shot and killed them both in the basement of the building. The boy was only slightly wounded. The two crackmen were white.

Indigo furnishes nearly fifty shades of blue.

REPORTS COTTON GINNING

National Ginners' Association Places Total of Cotton Ginned to January 1 at 9,621,000.

Memphis, Tenn., Special.—The regular monthly report of the National Ginners' association, just issued, shows that, up to January 1, there have been 9,621,000 bales of cotton ginned this season, nearly 3,000,000 bales less than ginned last year at the same time. The association, in its report, estimates that there are still 159,000 bales to be ginned this season.

By States the report and estimate is as follows:

| State | Ginned. | To be ginned. |
|------------------------------------|-----------|---------------|
| Alabama... | 1,015,000 | 7,000 |
| Arkansas... | 654,000 | 14,000 |
| Florida... | 60,000 | 1,000 |
| Georgia... | 1,819,000 | 11,000 |
| Louisiana... | 255,000 | 5,000 |
| Mississippi... | 966,000 | 24,000 |
| Missouri, Virginia and Kentucky... | 56,000 | 2,000 |
| North Carolina... | 606,000 | 13,000 |
| Oklahoma... | 564,000 | 18,000 |
| South Carolina... | 1,098,000 | 10,000 |
| Tennessee... | 226,000 | 4,000 |
| Texas... | 2,312,000 | 50,000 |
| Totals... | 9,621,000 | 159,000 |

BANK PAPERS ARE FOUND.

Two Citizens by Accident Come Upon Forty Thousand Dollars of Notes.

Americus, Ga., Special.—Forty thousand dollars of notes and valuable securities belonging to the Bank of Ellaville, which is owned and controlled by the Bank of Southwestern Georgia, located in Americus, were found carefully concealed in the boxing about the Ellaville court house.

When Cashier Walters of the Ellaville bank committed suicide by shooting himself in Americus a year and a half ago, most of the bank papers were found missing. Every effort made to discover the missing documents proved fruitless. Two citizens came upon the papers by accident. A \$500 reward offered by the Americus bank is still outstanding. The object of concealment of the securities remains a mystery.

GENERAL DIAZ'S TRAGIS END.

Drowned While En Route to See President Mariz on a Mission of Peace.

Bluefields, Nicaragua, By Cable.—General Pedro Andreas Fornos Diaz, who started out for Managua, in order to treat for peace with President Madriz, met with a tragic end on Greytown bar. The canoe in which he was attempting to make a landing was caught by a gigantic wave and broke amidship and Diaz disappeared from view in the sea. This removes from Nicaragua a spirit of whose intrepidity was boundless.

KARL HAU ATTEMPTS ESCAPE.

Warden's Dog Upsets Plan of Former Professor in George Washington University.

Stuttgart, Germany, By Cable.—Karl Hau, former professor of Roman law in George Washington University, Washington, D. C., who is under life imprisonment sentence for the murder of his mother-in-law, Frau Holter, in 1906, made a vain attempt to escape from the jail at Bruchsal, Baden. A warden's dog upset the prisoner's plan.

Pinchot Dismissed.

Washington, Special.—Gifford Pinchot, chief forester has been dismissed from the service of the United States by President Taft for insubordination. Associate Forester Overton W. Price and Assistant Law Officer Alexander C. Shaw, Pinchot's immediate associates in the forestry bureau, followed their chief out of the government employ.

Finds Execution Illegal.

Washington, Special.—President Madriz of Nicaragua in a message received by the State Department declares that the resentment shown by the government and people of the United States because of the execution of Groce and Cannon, American citizens, was justified. This may lead to a possible demand upon Mexico for extradition of Zelaya.

\$8,000,000 Spent in War on White Plague.

New York, Special.—More than \$8,000,000 was spent during 1908 in fighting tuberculosis in the United States. This money was used, according to a bulletin just issued by the New York Association for the Prevention of Tuberculosis in treating 120,000 patients. New York state leads in the amount of work done; the next seven states are Pennsylvania, Massachusetts, Illinois, Maryland, New Jersey, California and Colorado.

Want Passage of Ocean Mail Bill.

New York, Special.—The National Association of Manufacturers has adopted resolutions urging upon congress the immediate passage of an ocean mail bill, which will provide for a sufficient postal compensation to establish a swift and regular service in American built steamships to the principal countries of South and Central America and to the ports of Australia, Japan, China and the Philippines.

No Chance on Spook.

Is the New York public superstitious? A Forty-second street auctioneer insists that we are, and adduces this incident as proof of his contention:

One day there came into his shop a table to be auctioned off. It was a table with a past. It had belonged to more than one medium and had figured in many a tipping séance. The auctioneer expected that psychic history to boost the price of the table and he related it in his characteristically racy fashion before the bidding began. Instead of exciting competition that table inspired fear. It was regarded as an interesting curiosity, everybody wanted to examine it, but no one would buy. A price had been set on the table under which it was not to be sold, and no one bidding up to that figure, it was withdrawn from the sale. On five different days did the auctioneer introduce the table with the same preamble. On the sixth day he omitted all reference to the table's psychic powers, and fetched a good price. His deduction is that the average New Yorker has more or less faith in spiritual manifestations and he doesn't want his repose disturbed by mysterious messages delivered through the medium of uneasy tables.—New York Times.

NEW STOCKINGS.

Stockings with insets of real lace, and stockings with sparkles of jet and silver and gilt fastened upon them—yes, that's what millady will wear this winter, when she's "all dressed up."

Of course, for ordinary wear, one will don stockings of modest color, harmonize with the costume, of plain black. With her tailored costumes millady will wear mixed or shaded stockings, in various combinations, if she wishes to be right up with Mme. Mode.

But for dress occasions—ah, that is a different story. That is where the real lace and the jet and the silver and gilt come in.

A stock may be elaborately embroidered, also, or show the finest of openwork, and it is said that both embroidered and openwork stockings will compete for favor this winter. The great novelty, however, is the stockings with the sparkles, and it's said that the glistening things will wash, at that! Five dollars and up will purchase one pair of these novel hose.—Boston Globe.

WOMAN DISCOVERS MEANEST MAN.

Mrs. Caroline Cornelius of Ithaca, N. Y., believes she has uncovered the meanest thief on earth. She returned from a visit to Brooklyn to find her home had been entered. Although every room was in disorder, Mrs. Cornelius did not miss anything, and was puzzled until a few days afterward, when she went to her bank and found that a check for \$138.57 had been cashed against her account. "Why, I never signed a check for that amount," exclaimed Mrs. Cornelius. The check was produced and the signature was found to be genuine. "Oh, yes," said Mrs. Cornelius, seeing a light. "I remember I signed one check, but didn't fill in any amount." The thief had found the check book, filled in for the \$138.57 and collected the money.—New York Press.

A SAFEGUARD.

A pitch dark nest where the hens are unable to see the egg is a safeguard against egg-eating. With sand, coal ashes, and crushed shell to run to the chickens have not the excuse of a lack of lime in the system which might induce egg-eating.—Farmer's Home Journal.

Who are ready to believe are ready to deceive.—Dutch. So. 2-10.

Travelers and connoisseurs who have tasted all the fruits of the world are of one voice and rapt opinion in pronouncing the oranges of Bahia, Brazil, the king of all fruits.

A WOMAN DOCTOR.

Was Quick to See That Coffee Was Doing the Mischief.

A lady tells of a bad case of coffee poisoning, and tells it in a way so simple and straightforward that literary skill could not improve it. "I had neuralgic headaches for 12 years," she says, "and suffered untold agony. When I first began to have them I weighed 140 pounds, but they brought me down to 110. I went to many doctors and they gave me only temporary relief. So I suffered on, till one day a woman doctor told me to use Postum. She said I looked like I was coffee poisoned."

"So I began to drink Postum and I gained 15 pounds in the first few weeks and continued to gain, but not so fast as at first. My headaches began to leave me after I had used Postum about two weeks—long enough to get the coffee poison out of my system."

"Since I began to use Postum I am glad to say that I never know what a neuralgic headache is like any more, and it was nothing but Postum that made me well. Before I used Postum I never went out alone; I would get bewildered and would not know which way to turn. Now I go alone and my head is as clear as a bell. My brain and nerves are stronger than they have been for years."

Read the little book, "The Road Wellville," in pkgs. "There's a Reason." Ever read the above letter? A one appears from time to time. It is genuine, true, and full of his interest.